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TA TONG TRADING SDN BHD v. SYARIKAT PERUSAHAAN JOOI BERSAUDARA SDN BHD & ANOR

HIGH COURT MALAYA, KUALA LUMPUR
AZIZAH NAWAWI J
[ORIGINATING SUMMONS NO: 24IP-23-05-2014]
B 27 JULY 2015

INTELLECTUAL PROPERTY: *Trade marks – Registration – Opposition – Appeal against decision of Registrar of Trademarks – Whether appellant's marks phonetically similar with first respondent's trade marks – Whether marks used for*
C *similar description of goods – Whether marks had striking resemblance with one another – Whether length of words same – Whether would cause confusion and deceive public at large – Whether marks identical in slogan and get up – Whether appellant's mark entitled for registration – Trade Marks Act 1976, ss. 14 & 25*

D ***INTELLECTUAL PROPERTY:*** *Trade marks – Registration – Whether mark distinctive – Opposition – Appeal against decision of Registrar of Trademarks – Whether appellant's marks phonetically similar with first respondent's trade marks – Whether marks used for similar description of goods – Whether marks had striking resemblance with one another – Whether length of words same – Whether*
E *would cause confusion and deceive public at large – Whether marks identical in slogan and get up – Whether appellant's mark entitled for registration – Trade Marks Act 1976, ss. 14 & 25*

The first respondent was the registered proprietor of the marks "asadi" and "ASADI" ('asadi trade marks'). The asadi trade marks were used since
F 1982 in respect of, *inter alia*, boots, shoes, slippers and shoe parts included in class 25. On 18 July 1990, the appellant filed an application to register the "osaki" mark for goods in class 25, *ie*, shoes, slippers, sandals, clothing and jeans. The first respondent filed an opposition against the appellant's application and after considering the written submissions, statutory
G declarations and exhibits filed by the parties, the Registrar of Trademarks ('registrar') allowed the first respondent's opposition. It was decided that the appellant had failed under ss. 14(1)(a) and 25(1) of the Trade Marks Act 1976 ('the Act') to show that the mark should be allowed to proceed for registration. Dissatisfied, the appellant filed an appeal against the
H Registrar's decision pursuant to s. 28(5) and (6) of the Act and sought to reverse the same. The preliminary issues raised for consideration were (i) whether the purported evidence as contained in the first respondent's grounds of opposition relied upon by the Registrar was inadmissible as evidence; (ii) whether the evidence contained in the first respondent's written submission and the physical products tendered during the hearing
I ('the further evidence') was inadmissible as evidence since it was not adduced in compliance with, *inter alia*, the Act and the Trade Marks Regulations 1997 ('TMR') and (iii) whether the purported further evidence

as well as new and fresh evidence should be struck out and disregarded by this court since they were not raised during the opposition proceeding and/or adduced in compliance with, *inter alia*, the Act and TMR. A

Held (dismissing appeal with costs):

(1) Pursuant to s. 64 of the Act, both the Registrar and the court has been given wide discretionary powers to admit evidence. The admission of evidence is not limited to evidence tendered by statutory declarations but may be tendered during the proceedings itself. Since the relevant evidence was before the Registrar, the same were correctly before this court. Apart from objecting to the admissibility of the evidence, the first respondent never denied the authenticity of the said evidence. Hence, there was no merit in the preliminary objections raised. (paras 13 & 14) B C

(2) Under s. 67 of the Act, this court had the power to review, reverse or otherwise vary the decisions of the learned Registrar. The burden of proof was on the appellant, as the applicant for registration of the "osaki" mark, to satisfy that the said mark was registrable under the Act. As at the filing date of the appellant's "osaki" marks on 18 July 1990, the first respondent's "asadi" marks were already registered. (paras 15-17) D E

(3) Section 19(1) of the Act prohibits the registration of a trade mark that is either identical with a trade mark belonging to a different proprietor, or so nearly resembles it as is likely to deceive or cause confusion entered in the register in respect of the same goods or description of goods. On the facts, the osaki marks and the asadi marks were in respect of the same or similar description of goods as the nature, respective uses and trade channels of the goods overlapped. (paras 20 & 22) F

(4) The likelihood of confusion and deception must be considered at the date of the application to register the appellant's mark, *ie*, 18 July 1990 for class 25. All the circumstances surrounding the usage or proposed usage of the conflicting marks was taken as a whole in determining whether there will be any likelihood of confusion. In making a comparison between the two marks, both the looks and the sound of the marks were important. The test to apply was whether both trade marks when pronounced or orally considered (by sound), was the same or so nearly resembled each other. On the facts, the osaki mark and the asadi trade marks had striking resemblance when employed in the font which the osaki mark was applied for. It had the same font size and both were in lower case. (paras 23, 25, 26 & 28) G H I

(5) The osaki mark was visually, phonetically and conceptually similar to the asadi trade marks. The placement of the vowels and consonants in the osaki mark was identical and contained the same amount of syllables as with the asadi trade marks and this created a confusing resemblance. From the overall impression, the shape of the letters and the placement of the letters were visually similar. The "a" and the "o" were rounded and almost interchangeable in the font which the osaki mark was applied for. Further, the "a" and the "o" were phonetically similar. Both the osaki mark and the asadi trade marks were likely to be read with phonetic word stress on the first and second syllables, but not the third, *ie*, "a-sa-di" and "o-sa-ki". This made the difference between "d" and "k" sound negligible in an aural comparison. Due to the vowels and consonants applied in the osaki mark and the asadi trade marks, the length of the words were the same. (paras 30 & 47)

(6) The goods covered by the registrations or proposed registrations and the nature of the customer must be considered to the determination of likelihood of confusion and deception, together with all fair and normal surrounding circumstances. The Registrar had considered the circumstances of retail trade and the nature of the retail shoe market in particular where those goods appeared very similar and were placed next to each other in a shoe store. This would likely cause confusion and deceive the public at large who at times pay less attention to the mark as it was displayed in the same area or location. The marks for the goods in question in class 25, *ie*, shoes, slippers, sandals, boots and footwear in general were not placed with prominence so as not to detract from the overall design. As such, the 'osaki' mark which so nearly resembled the 'asadi' trade marks, was likely to deceive and/or cause confusion to the public and therefore, the 'osaki' mark was not entitled for registration as it fell foul of s. 19 of the Act. (paras 32-34)

(7) The first respondent's price label bearing the asadi trade marks and the appellant's price label bearing the osaki mark were identical in slogan and get up. Due to the similarity of the two marks, the average consumer could have easily mistaken one for the other. From the get up and price labels, the osaki mark was strikingly similar with the asadi trade marks. Further, the Registrar had considered the circumstances of retail trade and the nature of the retail shoe market, where goods appeared very similar and were placed next to each other in the shoe store. This would cause confusion and deceive the public at large who at times paid less attention to the mark since it was displayed at the same area or location. The confusion would also arise premised on the doctrine of imperfect recollection. Thus, the osaki mark failed to satisfy s. 14(1) of the Act and was therefore not entitled to registration. (paras 40, 42, 43, 46 & 47)

Case(s) referred to:

Aristoc LD v. Rysta LD [1969] RPC 472 ***(refd)***
Bali Trade Mark [1969] RPC 472 ***(refd)***
Biofarma SA v. Office of Harmonisation in the Internal Market [2005] All ER (D) 236 ***(refd)***
Industria De Diseno Textil SA v. Edition Concept Sdn Bhd [2005] 2 CLJ 357 HC ***(refd)***
Johnson & Johnson v. Uni-Charm Kabushiki Kaisha [2006] SGHC 241 ***(refd)***
Leo Pharmaceutical Products Ltd A/S v. Kotra Pharma (M) Sdn Bhd [2002] 6 CLJ 465 HC ***(refd)***
Regent Pumps Pty Ltd & Anor v. Keylargo Industrial Sdn Bhd [2009] 2 CLJ 303 HC ***(refd)***
Sandown Ltd's Application [1914] 31 RPC 196 ***(refd)***
Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 CA ***(refd)***
Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***

Legislation referred to:

Trade Marks Act 1976, ss. 14(1)(a), 19(1), 25, 28(5), (6), 64(3), 67

For the plaintiff - Ee Siang Leng; M/s Ee & Assocs
For the 1st defendant - Kuek Pei Yee (Melissa Long with her); M/s Skrine
For the 2nd defendant - Ilya Hashim; Intellectual Property Corporation of Malaysia

Reported by Kumitha Abd Majid

JUDGMENT

Azizah Nawawi J:

Application

[1] This is an application filed by the appellant pursuant to ss. 28(5) and 28(6) of the Trade Marks Act 1976 ("TMA 1976") seeking the following orders and reliefs:

(i) that the trade mark application No. 90004654 for "osaki" in Class 25 ("appellant's osaki") filed on 18 July 1990 in the name of Ta Tong Trading Sdn Bhd, but thereafter assigned to Ta Tong Plastic Industry Sdn Bhd be allowed to proceed to registration and that the first respondent's notice of opposition filed on 24 February 2004 be dismissed with costs;

(ii) that the whole of the decision dated 7 April 2014 issued by the Registrar of Trade in connection with the first respondent's opposition be reversed and set aside;

(iii) that the Registrar of Trade Marks Malaysia, be directed to rectify the trade mark register by entering the appellant's "osaki" mark.

A **The Salient Facts**

[2] From the written submission of the parties, the facts disclosed is that the first respondent is the registered proprietor of "asadi" under registration number M/099052 since 1983 and "ASADI" under registration number 87002153 since 1987, both in Class 25 ("asadi trade marks").

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[3] The first respondent had used the asadi trade marks since 1982 in respect of boots, shoes and slippers, and shoe parts included in Class 25 and related products, in particular PVC footwear such as sandals, slippers and boots.

C **[4]** On 18 July 1990 the appellant had filed Trade Mark Application No. 90004654 for "osaki" for goods in Class 25 (for shoes, slippers, sandal, clothing and jeans) in the name of Ta Tong Trading Sdn Bhd but was thereafter assigned to Ta Tong Plastic lndustry Sdn Bhd by virtue of a deed of assignment dated 14 July 2003 and supplemental deed of assignment dated 12 September 2005.

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[5] The first respondent had on 20 February 2004 filed an opposition against the appellant's "osaki" mark to which the appellant replied by filing a counter statement on 15 April 2004.

E **[6]** After considering all the written submissions, statutory declarations and exhibits filed by all parties, the Registrar of Trade Marks had allowed the first respondent's opposition on 7 April 2014 (about 24 years later) and refused the appellant's Trade Mark Application No. 90004654 to proceed to registration premised on s. 14(1)(a) and s. 25 of the TMA 1976.

F **[7]** In his findings, the learned Registrar made the following findings:

> Hence, after going through all the written submissions, statutory declarations and exhibits submitted by both parties, I have come to a conclusion that the Applicant has failed under Section 14(1) (a) and Section 25(1) of the Trade Marks Act 1976 to show that the said Opposed Mark should be allowed to proceed to registration.

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[8] Hence, the appellant now appeals against the Registrar's decision pursuant to s. 28(5) and (6) of the TMA 1976 and seeks to reverse the decision of the Registrar.

The Findings Of The Court

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[9] Before proceeding with the substantive appeal, the appellant has raised three (3) preliminary issues:

(i) whether the purported evidence as contained in the first respondent's grounds of opposition relied upon by the Registrar is inadmissible as evidence;

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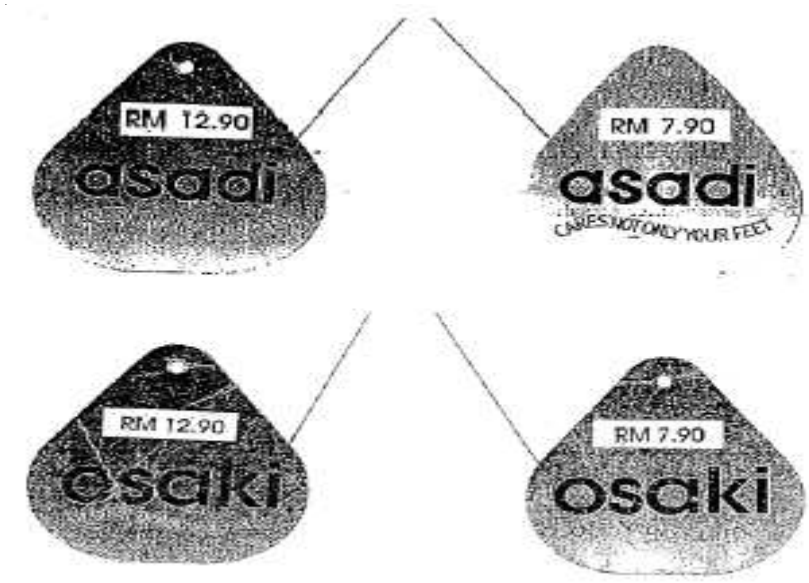

(ii) whether the evidence as contained in the first respondent's written submission and the physical products brought by the first respondent's Sales and Marketing Manager during the hearing ("the further evidence") is inadmissible as evidence as it was not adduced in compliance with the TMA 1976, Trade Marks Regulations 1983 ("TMR 1983"), Trade Marks Regulations 1997 ("TMR 1997") and the Manual of Trade Mark Law and Practice in Malaysia ("the TM Manual"). Amongst the said further evidence are:

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C (iii) whether the purported further evidence as well as new and fresh purported evidence should be struck out and be disregarded by this Honourable court as they were not raised earlier during the opposition proceeding and/or adduced in compliance with the TMA, TMR 1983 and TMR 1997 and are now reintroduced in the present proceeding which is also in non-compliance with the TMA 1976.

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Preliminary Issues

[10] It is my considered opinion that the relevant evidence are the price tags and the further evidence above, namely the slippers bearing the "asadi" and the "osaki" marks.

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[11] It is not in dispute that both the price tags and the slippers were before the Registrar during the proceedings. In fact, in his decision, (see para. 1 of p. 6), the Registrar said this:

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> Furthermore after inspecting the evidence given under para. 7 (Exhibit 1) of the Grounds of Opposition dated 24th Feb 2004, it is clear that both the get up and price labels of the Applicant and Opponent is same and bears the same price and the same tag line "CARES NOT ONLY YOU(R) FEET" and use the same colour and shape ...

[12] I am of the considered opinion that premised on s. 64 of the TMA 1976, the Registrar has the discretion to take evidence *viva voce in lieu* of or in addition to evidence tendered by statutory declaration. Under s. 64(3), Parliament has allowed the Registrar or the court to "admit evidence on the usages of the trade concerned or.... and evidence of any relevant trade marks.. or get-up legitimately used by other person".

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H **[13]** I therefore find that pursuant to s. 64 of the TMA 1976, both the Registrar (and the court) has been given wide discretionary powers to admit evidence. The admission of evidence is not limited to evidence tendered by statutory declarations, but may be tendered during the proceedings itself.

[14] As the above relevant evidence were before the Registrar, the same I are correctly before this court. In any event, apart from objecting the admissibility of the above evidence, the first respondent never denied the authenticity of the said evidence. As such, I find no merit in the preliminary objections raised.

Substantive Issue

[15] It is common ground that under s. 67 of the TMA 1976, this court has the power to review, reverse or otherwise vary the decisions of the learned Registrar.

[16] It is also common ground that the burden of proof is on the appellant, as the applicant for registration of the appellant's "osaki" mark on 18 July 1990, to satisfy this court that the "osaki" mark is registrable under the TMA 1976. In *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337 FC, Justice Zulkefli Makinudin, CJ (Malaya) held at p. 348 as follows:

> [12] It is to be noted in the present case, the respondent filed its notice of opposition before the appellant's mark could be registered. On this point it is our judgment that the onus is on the appellant to prove that he is entitled to register the "GIORDANO" trade mark.

[17] As at the filing date of the appellant's "osaki" marks on 18 July 1990, the first respondent's "asadi" marks are already registered:

Trade Mark/Registration No.	Specification of Goods	Date of Registration
asadi Registration No. M/099052	Boots, shoes and slippers, boot and shoe parts included in class 25	15 March 1983
ASADI Registration No. 87002153	Articles of clothing, footwear, headgear; all included in class 25	25 May 1987

[18] Before the Registrar, the first respondent relied on ss. 19, 14(1)(a) and 25 of the TMA 1976 to oppose the appellant's registration. In his decision, the Registrar made the following findings:

> After considering all circumstances of the trade in which the marks in question are employed or are to be employed and in particular the nature of the market, in my opinion as the goods appeared very similar and placed next to each other in a shoe store, which will likely to cause confusion, deceive the public at large who at times pay less attention to the mark as it is display at the same area or location.
>
> ...
>
> Hence, after going through all the written submissions, statutory declarations and exhibits submitted by both parties, I have come to a conclusion that the Applicant has failed under Section 14(1)(a) and Section 25(1) of the Trade Marks Act 1976 to show that the said opposed Mark should be allowed to proceed to registration ...

[19] Bearing in mind that an appeal against the decision of the Registrar is by way of a rehearing, I will deal with the issue of s. 19 of the TMA 1976, which was rejected by the Registrar. Section 19 reads as follows:

> (1) No trade mark shall be registered in respect of any goods or description of goods –
>
> (a) that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or
>
> (b) that so nearly resembles such a trade mark as is likely to deceive or cause confusion.

[20] Section 19(1) prohibits the registration of a trade mark that is either identical with a trade mark belonging to a different proprietor, or so nearly resembles it as is likely to deceive or cause confusion entered in the Register in respect of the same goods or description of goods.

[21] Therefore, in this appeal, the registration of "osaki" will not be allowed if:

(i) "osaki" is identical with "asadi" or so nearly resembling "asadi" as is likely to deceive and cause confusion; and

(ii) that the plaintiff's goods are the same goods or the same description of goods as the respondent's goods.

[22] It is not in dispute that the appellant's "osaki" marks and the first respondent's "asadi" marks are in respect of the same or similar description of goods as the nature, respective uses and trade channels of the goods clearly overlap as can be seen in table below:

	Trade Mark No. 87002153	Trade Mark No. M/099052	Appellant's Application
Marks	ASADI	asadi or asadi	osaki
Goods	Articles of clothing, footwear, headgear; all included in class 25	Boots, shoes and slippers, boot and shoe parts included in class 25	Shoes, slippers, sandal, clothing and jeans; all included in Class 25

[23] It is trite law that the likelihood of confusion and deception must be considered at the date of the application to register the appellant's mark, which is 18 July 1990 for Class 25. (see *Industria De Diseno Textil SA v. Edition Concept Sdn Bhd* [2005] 2 CLJ 357; [2005] 3 MLJ 347)

[24] In determining whether the plaintiff's mark is confusingly similar to the first respondent's mark, the relevant test can be found in the Supreme Court's decision of *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344; [1992] 2 MLJ 63, where the court held that:

> The 'test' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co Ltd* in the following terms:
>
> > You must take two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

[25] The test formulated by the court in the *Pianotist*'s case, as accepted by our Supreme Court in *Tohtonku*, in determining whether there is any likelihood of confusion can be summarised as follows:

(i) by comparison of the conflicting marks;

(ii) by considering the goods/services to which the conflicting marks are to be applied; and

(iii) by considering the type of customers of the proprietors of the conflicting marks.

The underlying consideration would be all the circumstances surrounding the usage or proposed usage of the conflicting marks taken as a whole in determining whether there will be any likelihood of confusion.

[26] In making a comparison between the two marks, both the looks and the sound of the marks are important. The test to apply is whether both trade marks when pronounced or orally considered (by sound), is the same or so nearly resemble each other. The House of Lords in *Bali Trademark* (1969) RPC 472 held that "BALI" is similar to "BERLEI". The House of Lords, at p. 485 held that:

> The learned judge after examining all the evidence held that it supported the conclusion (which was *prima facie* suggested by the pronunciation of the two words themselves) that in 1938 the trade mark BALI by reason of its resemblance to the trade mark BERLEI if used in a normal and fair manner was likely to deceive or cause confusion … My Lords, I see no reason to differ from the conclusion of the learned judge and I do not think that there was any error in his approach.

[27] In *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815, the Court of Appeal held that the trade mark "Chinese Yang Ming Jiu" was phonetically similar to "Yomeishu" (as the Chinese

kanji characters were the same). The Court of Appeal adopted the phonetic similarity test in the House of Lords case of *Aristoc LD v. Rysta LD* (1969) RPC 472. At pp. 823e - 844f, the Court of Appeal held that:

> In *Aristoc Ld v. Rysta Ld* [1945] 62 RPC 65 … The House of Lords upheld … and refused registration … based solely and purely on phonetic confusion. The following passages from the judgements of the three law lords are significant:
>
> Per **Viscount Maugham**:
>
> **The answer** to the question **whether the sound of one word resembles too nearly the sound of another** …
>
> The **court must be careful to make allowance** for **imperfect recollection** and the **effect of careless pronunciation and speech** on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants.
>
> Per **Lord Macmillian**:
>
> Lastly, I find myself in agreement … the proposed trade mark 'Rysta' **ought not to be registered because it so nearly resembles phonetically** the appellants' trade mark 'Aristoc' as **to be likely to cause confusion** …
>
> Per **Lord Wright**:
>
> The central question, that is, the degree of **similarity** between the appellants' and the respondents' mark is, it is true, one which depends on the **judge's personal impression** whether visual or **phonetic**. He cannot shelter under another judge's decision. **But he has to envisage the circumstances in which** visual or **phonetic confusion is or is not likely to arise** …
>
> Thus, a mark the use of which is **likely to deceive or cause confusion** to the public is **a mark which ought never in the first place to have been registered in the Trade Mark Register**, and if it had been, **the court**, pursuant to s. 45 of the Act, **has power to expunge it**. (emphasis added)

[28] Having considered both marks visually and phonetically, I am of the considered opinion that the appellant's "osaki" mark and the first respondent's "asadi" trade marks have striking resemblance when employed in the font the osaki mark is applied for, the same font size and both in lower case.

[29] Reference can be made to the case of *Johnson & Johnson v. Uni-Charm Kabushiki Kaisha* [2006] SGHC 241 where the court held that:

> in *Jordache Enterprises Inc v. Millenium Pte Ltd* [984-985] SLR 566 the court held that the mark "Jordane" is similar to "Jordache". In *Mystery Dringks GmbH v. Office for Harmonisaton in the Internatl Market (Trade Marks and Designs), KarlsberBrauerei KG Weber Intervening* [2004] ETMR 217, "Mystery" was refused registration for non-alcoholic drinks as the mark "Mixery" had already been registered for beer. In a similar vein, the English High Court held "Viagra" and "Viagrene" to be similar. Other cases where

marks have been held to be confusingly similar include "Pruriderm" and "Prioderm" (*PRURIDERM Trade Mark* [985] RPC 187) and "Eucerin' and "Eudermin" (*Icard SA's Application; Opposition of Beidersdorf AG* [2000] ETMR 180).

[30] Added to that, I agree with the submission of the first respondent that the placement of the vowels and consonants in the "osaki" mark is identical and contain the same amount of syllables as with the "asadi" trade marks, and this creates a confusing resemblance:

(i) from the overall impression the shape of the letters and the placement of the letters are visually similar. In particular the "a" and "o" are rounded and almost interchangeable in the font which the "osaki" Éark is applied for.

(ii) furthermore "d" and "k" are both tall letters and are used in the same position in with three letters preceding and one letter following, all in short letters. Due to the vowels and consonants applied in the osaki mark and the "asadi" trade marks, the length of the words are the same.

(iii) furthermore, "a" and "o" are phonetically similar. Both the "osaki" mark and "asadi" trade marks is likely to be read with phonetic word stress on the first and second syllables, but not the third ie, "a-sa-di" and "o-sa-ki". This makes the difference between "d" and "k" sounds negligible in an aural comparison.

[31] The same comparison was made by the court in *Biofarma SA v. Office of Harmonisation in the Internal Market* [2005] All ER (D) 236 (Nov) where the court was concerned with the marks ALREX and ARTEX. In making the comparison, the court said as follows:

> … the two signs are composed of a word containing five letters. The only difference is that one includes the letter "t" between the letters "r" and "e" and the other has an "l" between the letters "a" and "r". Aside from the difference, four of the five letters are identical and are places in the same order. Therefore the visual similarity between the signs is very high. Also, at an aural level, the signs have the same structure, that is two syllables each, the first comprising two letters and the second having three. Each sign beings with the letter "a" and finishes with the suffix "ex". Further the second and third letters of each sign are consonants, one of which is common (the letter "r").

[32] At the same time, applying the *Pianotist* (*supra*), it is clear that the goods covered by the registrations or proposed registrations and the nature of the customer must be considered to the determination of likelihood of confusion and deception, together with all fair and normal surrounding circumstances.

[33] The Registrar had considered the circumstances of retail trade and the nature of the retail shoe market, in particular that goods appeared very similar and are placed next to each other in a shoe store. I agree with the Registrar that this will likely cause confusion and deceive the public at large who at times pay less attention to the mark as it is displayed at the same area or location. The goods in question, in Class 25, and in particular shoes, slippers, sandals, boots and footwear in general, the marks are not placed with prominence so as not to detract from the overall design. Taking all of these into account, I am of the considered opinion that the "osaki" mark so nearly resembles the "asadi" trade marks as to be likely and capable of confusion and deception.

[34] As such, I am of the considered opinion that the "osaki" mark is likely to deceive and/or cause confusion to the public and therefore the "osaki" mark is not entitled to registration as it falls foul of s. 19 of the TMA 1976.

Section 14(1)(a)

[35] It is also the findings of the Registrar that the "osaki" mark should be denied registration as it offends s. 14(1)(a) of the TMA 1976, which reads:

> 14. Prohibition on registration
>
> (1) A mark or part of a mark shall not be registered as a trade mark –
>
> (a) If the use of which is likely to deceive or cause confusion to the public or would be contrary to law;

[36] The objective and purpose of s. 14(1)(a) is held by the Federal Court in *Walton International Ltd* (*supra*) as follows:

> [25] The objective and purpose of s. 14(1)(a) of the Act is to protect the public and consumers from instances of confusion or deception as a result of the use of two similar marks. *Thus, under s. 14(1)(a) of the Act, a mark shall be refused registration if use thereof is likely to deceive or cause confusion to the public notwithstanding that it is the result of use of an earlier identical or similar mark, whether registered or not in Malaysia and which is being used in relation to good or services which may be different from that sought to be registered.* (emphasis added)

[37] It is the submission of the first respondent that it has been using the "asadi" trade marks in relation to its goods that it has manufactured and marketed since November 1982 (see exh. LCP-2). Documentary evidence adduced by the first respondent shows sales and promotion of the first respondent's goods from at least 1985. The following are found in exh. NJT-5 of the first respondent's affidavit No. 1.

(i) copies of randomly selected invoices dating back to 6 August 1985;

(ii) extracts from selected audited trading accounts of the first respondent from the years 1989, 1990, 1992, 1994, 2010, 2011 and 2012 which show the selling and financial expenses dating back of the years 1988, 1989, 1990, 1991, 1992, 1993, 1994, 2009, 2010, 2011, and 2012;

(iii) photographs of the first respondent's goods bearing the "asadi" trade marks together with promotional material of the same;

(iv) selected newspaper advertisements promoting the "asadi" trade marks and the first respondent's goods;

(v) selected invoices and bills of lading relating to the first respondent's order and purchase of shoe moulds and parts used toward the manufacture of the first respondent's goods.

[38] In relation to s. 14(1) of the TMA 1976, the trade marks manual in para. 24.82 states as follows:

> Having regard to the use made of their marks by the opponents is the Registrar satisfied that the applicant's marks, if used in a normal and fair manner in connection with any goods covered by their proposed registrations will not be likely to cause confusion or deception amongst a substantial number of persons in Malaysia?

[39] As such, the determination of likelihood of confusion and deception in relation to s. 14 is to have regard to the marks in use, which are as follows:

[40] Added to that, the first respondent's price label bearing the "asadi" trade marks and the appellant's price label bearing the "osaki" mark are identical in slogan and get-up, as can be seen from the following:

[41] In *Leo Pharmaceutical Products Ltd A/S v. Kotra Pharma (M) Sdn Bhd* [2002] 6 CLJ 465; [2009] 5 MLJ 703, the court held that:

> Where the parties' goods or service are in direct competition with each other, only a small degree of similarity is required to establish the likelihood of confusion.

[42] Due to the similarity of the two marks, the average consumer could have easily mistaken one for the other, or that the public will regard the first respondent's as an extension of the plaintiff's registered trade marks. This is so whether these two products are placed side by side on the shelves in the shoe stores. In fact, the Registrar has also considered the circumstances of retail trade and the nature of the retail shoe market, where goods appear very similar and are placed next to each other in the shoe store. As such, I agree with the Registrar that this will cause confusion and deceive the public at large, who at times pay less attention to the mark as it is displayed at the same area or location.

[43] Added to that, confusion will also arise premised on the doctrine of imperfect recollection established in *Sandown Ltd's Application* [1914] 31 RPC 196, which sets out the following principle:

> The questions is not whether if a person is looking at two trade marks side by side there would be possibility of confusion; the questions is whether the person who see the proposed trade mark in the absence of the other trade mark, and in view only of this general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark before him is the same as the other, of which he has a general recollection.

[44] Therefore, after taking into account the circumstances of use and the surrounding similarities such as in the identical slogan and get-up with the "asadi" trade marks, I find that the "osaki" mark was clearly adopted to deceive and such intention must reflect a likelihood of confusion and deception in the public.

[45] In *Regent Pumps Pty Ltd & Anor v. Keylargo Industrial Sdn Bhd* [2009] 2 CLJ 303, Justice Ramly Ali J (as His Lordship then was) held that:

> Being the first user and the lawful proprietor of the Mark in Malaysia, the Mark had become identified with the 2nd applicant and was distinctive of the 2nd applicant for goods in Class 7 in the Malaysian market. Therefore, there was actual deception and intention to deceive on the part of the respondent, and it should not be permitted to register the Mark. The public should not be left in doubt as to whether the two products carrying the same mark came from the same source.

[46] Premised on my finding above, I also finds that that the "osaki" mark fails to satisfy s. 14(1) of the Act and is therefore not entitled to registration. In view of my findings on ss. 19 and 14 of the TMA 1976, I do not find it necessary to deal with s. 25 of the TMA 1976.

Conclusion

[47] Therefore, having considered all the evidence before this court and the submission of the parties, I am of the considered opinion that the Registrar was correct in finding that having considered the circumstances of the trade in which the "osaki" mark and the "asadi" trade mark are employed, confusion and deception is likely to the public at large. The "osaki" mark is visually, phonetically and conceptually similar to the "asadi" trade marks. Both the plaintiff's and the first defendant's goods are of the same nature and channel of trade, in Class 25 of headgear, footwear and clothing. Further, from the get up and price labels, the plaintiff's "osaki" mark is strikingly similar with that of the first defendant's trademark "asadi".

[48] In the premise, I find that the Registrar was correct in finding that the plaintiff has failed to show that the "osaki" mark should proceed to registration under the TMA 1976. The appeal is dismissed with costs.